

Message Text

CONFIDENTIAL

PAGE 01 LONDON 07358 041908Z

ACTION EB-07

INFO OCT-01 ARA-06 EUR-12 EA-07 ISO-00 IO-13 AID-05

CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 USIA-06

TRSE-00 XMB-02 OPIC-03 SP-02 LAB-04 EPG-02 SIL-01

OMB-01 NSC-05 DODE-00 PM-04 H-01 L-03 PA-01

PRS-01 SS-15 IGA-02 /114 W

-----050556Z 000615 /23

R 041810Z MAY 77

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 3480

TREASURY DEPT WASHDC

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CARACAS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMEMBASSY LISBON

USMISSION EC BRUSSELS

USMISSION OECD PARIS

C O N F I D E N T I A L LONDON 07358

E.O. 11652: GDS

TAGS: EFIN, PO, UK

SUBJECT: FINANCIAL ASSISTANCE FOR PORTUGAL

REF: A) STATE 88960 B) LONDON 6531 C) LONDON 6826

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PAGE 02 LONDON 07358 041908Z

1. FINANCIAL ATTACHE QUERIED SIR DEREK MITCHELL, SECOND
PERMANENT SECRETARY AT HMT, ON WHERE THE U.S. INITIATIVE
ON PORTUGAL CURRENTLY STANDS IN HMT. MITCHELL REPLIED
THAT IN AN INTERNATIONAL CONTEXT THE ISSUE IS
STALLED AT THE MOMENT BECAUSE OF DIFFERENCES OF OPINION
BETWEEN U.S. AND GERMANY WHICH MAY BE SETTLED THIS WEEK-

END. MITCHELL SAID HE DID NOT DETECT GERMAN UNWILLING-
NESS TO HELP PORTUGAL, BUT THAT THE GERMANS DID NOT WANT
TO DO IT OUTSIDE AN IMF CONTEXT.

2. MITCHELL SAID THE UK IS WILLING TO TAKE PART IN A
MEETING IN MID MAY. THE POLITICAL IMPORTANCE OF AIDING
PORTUGAL IS WELL UNDERSTOOD BOTH IN THE FOREIGN OFFICE
AND IN HM TREASURY. THE CHANCELLOR HAS INDICATED THE UK
IS WILLING TO MAKE A "SYMBOLIC" CONTRIBUTION. MITCHELL
SAID HE UNDERSTOOD FROM OTHER SOURCES THAT A CONTRIBUTION
FROM THE UK IN THE RANGE OF \$15 - \$25 MILLION WAS HOPED
FOR. FINANCIAL ATTACHE REPLIED THAT \$20 MILLION
SHOULD BE TAKEN AS A HOPED FOR ILLUSTRATIVE MINIMUM. BUT
GIVEN \$6 BILLION INCREASE IN BRITISH RESERVES FIRST FOUR
MONTHS OF THIS YEAR AND OUTLOOK FOR STRONG BALANCE OF PAY-
MENTS ON CURRENT ACCOUNT FROM THE SECOND HALF OF THIS YEAR
ONWARDS, LINKED WITH HISTORIC BRITISH TIES WITH PORTUGAL.
THE BRITISH MIGHT WISH TO CONSIDER AN EVEN LARGER CONTRIBU-
TION POSSIBLY UP TO \$50 MILLION. FINANCIAL ATTACHE
STRESSED TO MITCHELL THAT SUGGESTION OF LARGER NUMBER WAS
BEING MADE ON PERSONAL BASIS.

3. MITCHELL SAID IF MEDIUM-TERM FUNDS ARE SOUGHT, THESE
MUST COME FROM A RELATIVELY SMALL HMG AID PROGRAM; I.E.,
THERE WOULD NOT BE ADDITIONALITY IN THE AID PROGRAM AS
A RESULT OF A LOAN TO PORTUGAL. A SHORTER TERM OPERATION
MIGHT BE HANDLED THROUGH THE EXCHANGE EQUALIZATION ACCOUNT
WITHOUT IMPACTING ON THE AID PROGRAM.

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PAGE 03 LONDON 07358 041908Z

4. ABOVE CONVERSATION TOOK PLACE BEFORE RECEIPT OF
STATE 100831. EMBASSY WOULD APPRECIATE
COPIES OF IMF/IBRD STUDIES CITED IN PARA 4 OF THAT CABLE-

SPIERS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE, DISPUTE SETTLEMENT, FOREIGN POLICY POSITION
Control Number: n/a
Copy: SINGLE
Sent Date: 04-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LONDON07358
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770157-0749
Format: TEL
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770596/aaaadeuu.tel
Line Count: 102
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 4e80169b-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 STATE 88960, 77 LONDON 6531, 77 LONDON 6826
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 03-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2646231
Secure: OPEN
Status: NATIVE
Subject: FINANCIAL ASSISTANCE FOR PORTUGAL
TAGS: EFIN, PO, UK, US, GE
To: STATE TRSY
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/4e80169b-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009